

# Waterford Landing Apartments

260-Unit Class A- Apartment Community

Available for 1031 Exchange or Direct Investment



1900 Waterford Landing, McDonough, GA 30253

Hamilton Point Investments is offering accredited investors DST interests in Waterford Landing Apartments. The 260-unit property is located in the fast-growing Atlanta suburb of McDonough, Georgia within the premier residential location in Atlanta's southern suburbs. The neighborhood is anchored by the Eagles Landing Country Club planned community development and is the only multifamily property located in the consistently highly-rated district of Union Grove High School.

## *Investment Summary*

- Class A- apartment community built in 1999 to high-quality construction standards
- Well located in McDonough, GA, a fast-growing suburb of Atlanta
- Total capitalization of \$97,885 per unit (\$88.27 per square foot), which is well below estimated replacement cost
- Sponsor has managed Waterford Landing for nearly four years and owns six other apartment properties in Georgia
- Sponsor's asset management office is located in Atlanta, 20 minutes from Waterford Landing
- 10-year hold period offering a projected 6.25% initial yield and 11.2% IRR to investors
- 30-year amortization with 3-year interest only period reduces debt by \$1,981,360 during projected hold period
- \$588,250 upfront escrow plus \$78,000 per year ongoing capital reserve escrow
- Only multifamily property in district of Union Grove High School, which U.S. News & World Report 2015 rated 37th of over 450 high schools in Georgia; drives strong demand at the property from high caliber tenants

*This material does not constitute an offer and is authorized for use only when accompanied or preceded by a definitive confidential private placement memorandum and any applicable supplements (collectively the "PPM"). Reference is made to the PPM for a statement of risks and terms of the offering. The information set forth herein is qualified in its entirety by the PPM. All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM.*

**HAMILTON POINT**

INVESTMENTS

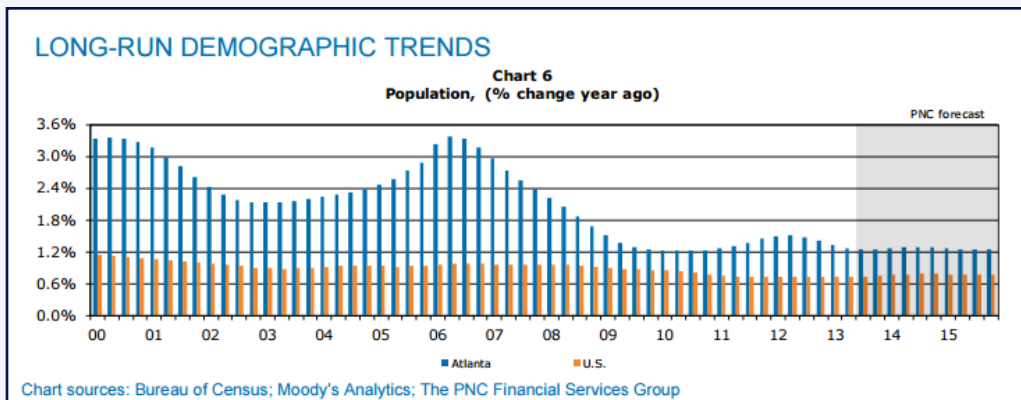


### The Property

- 260-unit class A- garden-style apartment community situated on 32.21 acres
- Built in 1999 to high quality class A construction standards
- Large unit sizes, averaging 1,109 square feet, and detached garage parking
- Interiors with designer kitchens, nine foot ceilings with crown moldings, laundry rooms in every unit, hardwood flooring, hard-wired alarms, large walk-in closets, ceiling fans in living rooms and bedrooms, sunrooms or private porches, pre-wired for high-speed internet, vaulted ceilings and fireplaces on top floors and modern lighting packages
- Amenities include a swimming pool with grilling area, car care center, fitness center, business center, lighted tennis court and dog walk area
- Desirable residential location in desirable residential community anchored by Eagles Landing Country Club, the premier golf community on Atlanta's south side
- A widening of Eagles Landing Parkway, which fronts the property, from two to four lanes was completed in 2013, providing improved access and visibility for the property. Includes infrastructure for future widening to six lanes, which demonstrates the expected continued growth
- Proximity to local employment centers — within two miles of the property is Eagles Landing Trade Center, one of South Atlanta's largest distribution centers, and Henry Medical Center, the largest healthcare complex on the southern half of the city
- 20 minutes from Hartsfield Jackson International Airport and downtown Atlanta

### The Market

- Population growth of 92.6% in 1-mile radius of property from 2000-2010; 6.41% from 2010-2015 and 6.21% projected from 2015-2020 (Source: *The Nielson Company 2015 Report*)
- Household income of \$57,214 in 1-mile radius, 10% higher than national average of \$51,214 (Source: *U.S. Census Bureau March 2015 and The Nielson Company 2015 Report*)
- Henry County population grew by 79% between 2000 and 2014, to 213,869; employment grew by 15% between 2009 and 2014 (Source: *U.S. Census Bureau March 2015*)
- Waterford Landing averaged 98.0% occupancy during 2Q15; property currently 1.5% vacant and competitive set of five properties is 1.3% vacant (Source: *Yardi 8/10/15 and Co-Star Market Analytics 8/10/15*)
- Current average monthly rents at property of \$830 (\$0.75 psf); competitive set rents of \$865 (\$0.79 psf) allows for potential rental upside (Source: *Co-Star Market Analytics 8/10/15*)
- Clayton/Henry County submarket vacancy rate of 4.1% for apartments built between 1990 and 2009 (Source: *REIS Reports, 2Q15*)
- Atlanta population, household and labor force growth rates have approximately doubled those of the nation over the last 10 years; this out-paced growth is projected to continue (Source: *Co-Star Analytics 1Q15*)
- Atlanta apartment market vacancy rate of 4.1% for apartments built between 1990 and 2009; rental rate growth of 3.6% in 2014 and 2.1% in first six months of 2015 (Source: *REIS Reports, 2Q15*)



Source: PNC Atlanta Market Outlook, 3Q15, PNC Financial Services Group



## The Submarket

- A widening of Eagles Landing Parkway, which fronts the property, from two to four lanes was completed in 2013 providing improved access and visibility for the property. This project included infrastructure to widen to six lanes in the future, which demonstrates the expected continued strong growth
- Eagles Landing Country Club is recognized as one of the finest private golf clubs in metro Atlanta, is a 3,000-acre master-planned community with amenities that include a 27-hole Tom Fazio designed course and multiple swimming pools, tennis courts, and upscale dining establishments surrounding a large plantation styled clubhouse. Hosts LPGA tour
- The Eagles Landing area is considered to have the best demographics on the south side, along with some of the strongest historic and projected growth for all of metro Atlanta
- The Henry Medical Center, located 2.5 miles from the property, has expanded dramatically along with the Eagles Landing area population, more than doubling in size to the current 215-bed hospital with over 1,500 direct employees (Source: www.piedmont.org); surrounding area includes medical practices, specialist groups, support facilities and testing centers; numerous tenants at Waterford Landing work in the medical field
- Eagles Landing Trade Center, a 1.3-million-square-foot distribution and logistics park, is home to Good-year Tire & Rubber, Goodyear Aviation, and Kuehne & Nagle/Direct TV and other nearby employers include major distribution centers for Carter's children's clothing, Pep Boys Auto Parts and Toys "R" Us
- Due to current and projected increases in population and income, the Eagles Landing Parkway corridor has become a primary retail destination with the arrival of national and regional retailers including Walmart, Publix, Kroger, CVS, and Walgreens along with a growing number of restaurants, boutiques, and personal and business services

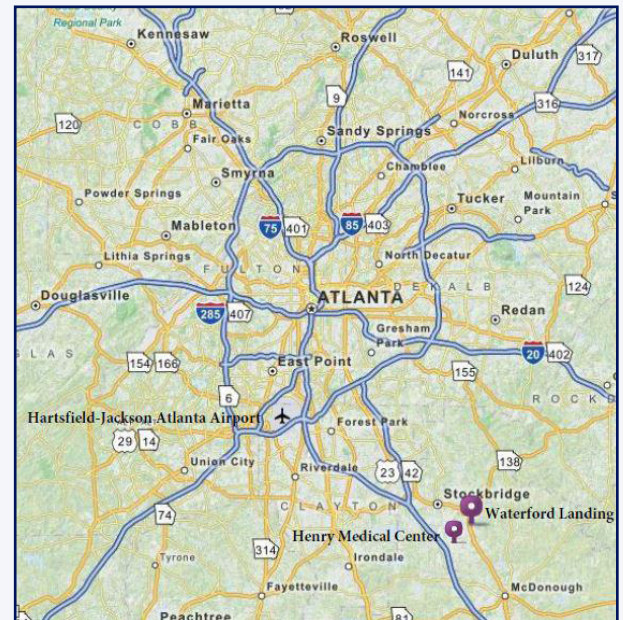
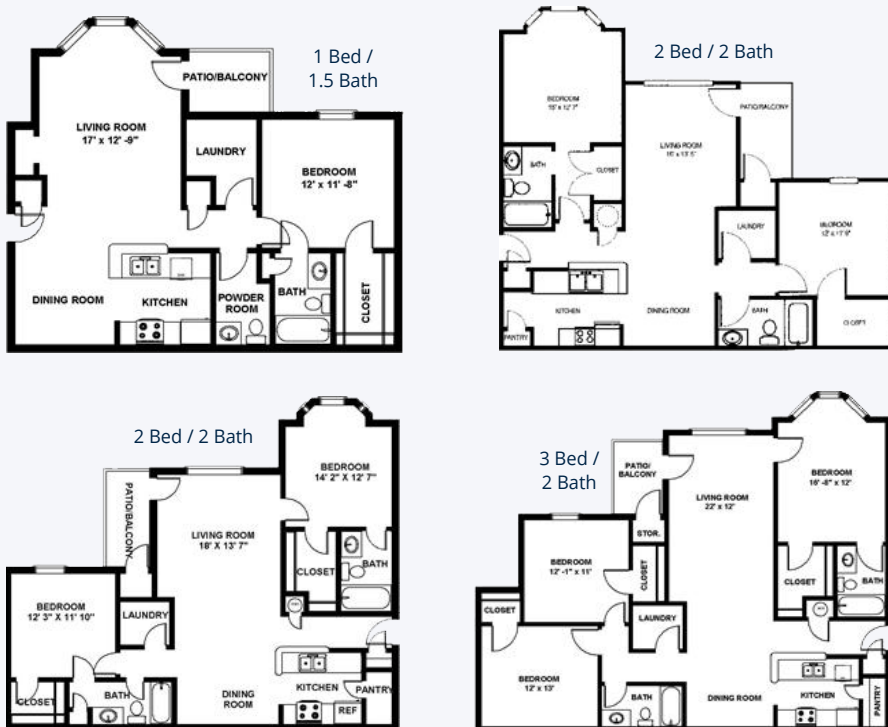


## Henry County Employers

Henry County Schools	4,573
Henry County Government	1,687
Henry Medical Center	1,561
Walmart	1,055
Federal Aviation Administration	725
Georgia Power	650
Symcor Inc.	520
Briggs & Stratton	450
Souther States, LLC	350
Carter's, Inc.	300
Bennett International Group	260
Ken's Foods, Inc.	250
Georgia Crown Distributing	280
Best Plastics	212
Home Depot	200
Smead Manufacturing	189
Encompass Group, LLC	180
Luxottica Retail Group	165
Alpla Inc.	155
John Deere	150
IFCO Systems North America	150
Dietrich Metal Framing, Inc.	145
Ecolab	120
Goodyear Tire & Rubber	120
Kuhne & Nagle/Direct TV	115

Source: G-Star Market Analytics 8/10/15

## Unit Mix



Unit Count	# Units	Market Rent/Month	Market Monthly Rent	Market Annual Rent	Avg S.F.	Total S.F.	Rent/S.F.
1 Bed / 1.5 Bath	88	\$700	\$61,600	\$739,200	826	72,688	\$0.85
2 Bed / 2 Bath	96	\$860	\$82,560	\$990,720	1,174	112,704	\$0.73
2 Bed / 2 Bath	36	\$850	\$30,600	\$367,200	1,201	43,236	\$0.71
3 Bed / 2 Bath	40	\$1,025	\$41,000	\$492,000	1,492	59,680	\$0.69
<b>Total</b>	<b>260</b>	<b>\$830</b>	<b>\$215,760</b>	<b>\$2,589,120</b>	<b>1,109</b>	<b>288,308</b>	<b>\$0.75</b>



## Corporate Overview

### Hamilton Point Investments, LLC

Hamilton Point Investments LLC (“HPI”) is a real estate investment firm founded in 2009 by Matthew A. Sharp and J. David Kelsey (“Principals”), after the two merged their former companies, which were formed in 2005 and 2007, respectively. HPI, through affiliated entities and managed funds, has acquired nearly 7,000 apartment units since 2009 and currently owns and operates 23 apartment properties totaling nearly 5,000 apartment units. HPI and its subsidiary property management company employ over 115 people. The company has a highly experienced team of seasoned professionals specialized in asset management, property management, accounting, reporting, acquisitions and financing. The company is based in Old Lyme, CT with its Asset Management office based in Atlanta.

## Business Strategy

Hamilton Point Property Management, LLC (“HPPM”) will continue to manage the property, as it has since December 2011. Self-management is a key tenet of HPI’s investment strategy which we believe to be a crucial element to maintaining institutional quality property oversight that includes potential revenue enhancement, cost control and tenant credit quality.

### Hamilton Point Property Management

Hamilton Point Property Management LLC manages nearly 5,000 multi-family apartment properties owned by Hamilton Point Investments LLC affiliates. HPPM is responsible for cost-effective, efficient and institutional quality property-level staffing, leasing, maintenance, contracting, marketing and reporting with over 90 property managers, maintenance supervisors, leasing agents, and maintenance staff.

### Net Income Enhancement \*

- Maintain strong occupancies above 95%. Vacancy rate was 1.5% at Waterford Landing and 1.3% at the competitive set of five properties as of August 21st. Despite these consistently low vacancy rates, a 6% constant vacancy/credit loss was included in the cash flow projections.
- Increase rental rates to market average. Waterford Landing rental rates are approximately 4.5% lower than the market competitive set. Although we feel we may be able to achieve significant rental rate increases, both to catch up with competitive set and in response to the low vacancy rate, we have assumed a 3% annual growth rate for both revenues and expenses.
- Continue unit interior upgrade program to include hardwood flooring on ground floor units, refinished kitchen and bathroom counters and cabinets, and replacement of brass colored fixtures with brushed nickel to allow for rental rate premiums on those units.
- Continue with strict expense controls made possible by Sponsor’s self-management of the property. While third party property managers significantly upcharge properties for many property-level employee, operating and capital expenses, Hamilton Point Property Management does not upcharge any items, leading to significant expense savings.

\* We can provide no assurances that we will be able to enhance income.



*This material is neither an offer to sell nor a solicitation of an offer to buy a security, which can be made only by the Private Placement Memorandum (“PPM”) filed or registered with appropriate state and federal regulatory agencies, and sold by broker-dealers authorized to do so. This material must be preceded or accompanied by, and read in connection with, the PPM to fully understand the implications and risks of the offering of securities to which this material relates.*

*Securities offered through Orchard Securities, LLC member FINRA/SIPC*

**Risks:** *There are substantial risks in any Investment Program. See “Risk Factors” in the accompanying PPM for a discussion of the risk relevant to this offering.*

*The projections and the anticipated rates of return are only estimates based on the specific assumptions more fully described in the PPM. There is no guarantee that the assumptions used in the projection will be achieved. Please review the entire PPM prior to investing. This material does not constitute an offer and is authorized for use only when accompanied or preceded by a definitive confidential PPM. Reference is made to the PPM for a statement of risks and terms of the offering. The information set forth herein is qualified in its entirety by the PPM. All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM.*

## HAMILTON POINT

### INVESTMENTS

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